RE/MAX Holdings, Inc.
Form 10-Q
May 08, 2015

UNITED	STATES
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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

x Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 For the quarterly period ended March 31, 2015.

OR

"Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 For the transition period from to .

Commission file number 001-36101

RE/MAX Holdings, Inc.

(Exact name of registrant as specified in its charter)

Delaware 80-0937145 (State or other jurisdiction of incorporation or organization) Identification Number)

5075 South Syracuse Street

Denver, Colorado 80237 (Address of principal executive offices) (Zip Code)

(303) 770-5531

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No "

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No "

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer " Accelerated filer x Non-accelerated filer " (Do not check if a smaller reporting company) Smaller reporting company " Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes " No x

The number of outstanding shares of the registrant's Class A common stock, par value \$0.0001 per share, and Class B common stock, par value \$0.0001, as of May 1, 2015 was 12,233,041 and 1, respectively.

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

RE/MAX HOLDINGS, INC.

Condensed Consolidated Balance Sheets

(In thousands, except share and per share amounts)

(Unaudited)

Assets Current assets: \$114,546 \$107,199 Escrow cash - restricted 75 693 Accounts and notes receivable, current portion, less allowances of \$4,831 and \$4,495, respectively 18,259 16,641 Accounts receivable from affiliates - 231 Income taxes receivable 1,214 765 Assets held for sale 1,179 - Other current assets 3,674 5,237 Total current assets 3,674 5,237 Total current assets and equipment, net of accumulated depreciation of \$19,495 and \$19,993, respectively 2,788 2,661 Franchise agreements, net of accumulated amortization of \$90,721 and \$87,330, respectively 72,114 75,505 Other intangible assets, net of accumulated amortization of \$90,721 and \$87,330, respectively 2,788 2,661 Franchise agreements, net of accumulated amortization of \$8,705 and \$8,550, respectively 72,169 72,463 Deferred tax assets, net of accumulated amortization of \$8,705 and \$8,550, respectively 2,725 600dwill 72,169 72,463 Deferred tax assets, net of accumulated amortization of \$8,705 and \$8,550, respectively 2,89 <td< th=""><th></th><th>March 31, 2015</th><th>December 31, 2014</th></td<>		March 31, 2015	December 31, 2014
Cash and cash equivalents \$114,546 \$107,199 Escrow cash - restricted 75 693 Accounts and notes receivable, current portion, less allowances of \$4,831 and \$4,495, respectively 18,259 16,641 Accounts receivable from affiliates - 231 Income taxes receivable 1,179 - Assets held for sale 1,179 - Other current assets 3674 5,237 Total current assets 138,947 130,766 Property and equipment, net of accumulated depreciation of \$19,495 and \$19,993, respectively 2,788 2,661 Franchise agreements, net of accumulated amortization of \$90,721 and \$87,330, respectively 72,114 75,505 Other intangible assets, net of accumulated amortization of \$8,705 and \$8,550, respectively 2,859 2,725 Goodwill 72,169 72,169 72,463 Deferred tax assets, net of accumulated amortization of \$8,705 and \$8,550, respectively 2,859 2,725 Goodwill 66,392 66,903 Investments in equity method investees 3,698 3,698 Debt issuance costs, net 1,75 1,75	Assets		
Escrow cash - restricted 75 693 Accounts and notes receivable, current portion, less allowances of \$4,831 and \$4,495, respectively 18,259 16,641 Accounts receivable from affiliates - 231 Income taxes receivable 1,214 765 Assets held for sale 1,179 - Other current assets 3,674 5,237 Total current assets 138,947 130,766 Property and equipment, net of accumulated depreciation of \$19,495 and \$19,993, respectively 2,788 2,661 Franchise agreements, net of accumulated amortization of \$90,721 and \$87,330, respectively 2,859 2,725 Other intangible assets, net of accumulated amortization of \$8,705 and \$8,550, respectively 2,859 2,725 Goodwill 72,169 72,463 72,169 72,463 Deferred tax assets, net 66,392 66,903 86,903 Investments in equity method investees 3,698 3,693 Debt issuance costs, net 1,756 1,896 Other assets 1,779 1,715 Total assets 362,502 358,327	Current assets:		
Accounts and notes receivable, current portion, less allowances of \$4,831 and \$4,495, respectively 18,259 16,641 Accounts receivable from affiliates - 231 Income taxes receivable 1,214 765 Assets held for sale 1,179 - Other current assets 3,674 5,237 Total current assets 138,947 130,766 Property and equipment, net of accumulated depreciation of \$19,495 and \$19,993, respectively 2,788 2,661 Franchise agreements, net of accumulated amortization of \$90,721 and \$87,330, respectively 72,114 75,505 Other intangible assets, net of accumulated amortization of \$8,705 and \$8,550, respectively 2,859 2,725 Goodwill 72,169 72,463 Deferred tax assets, net of accumulated amortization of \$8,705 and \$8,550, respectively 72,169 72,463 Deferred tax assets, net of accumulated amortization of \$8,705 and \$8,550, respectively 72,169 72,463 Deferred tax assets, net of accumulated amortization of \$8,705 and \$8,550, respectively 72,169 72,463 Deferred tax assets, net of accumulated amortization of \$8,705 and \$8,550, respectively 72,169 72,163 Other asse	Cash and cash equivalents	\$114,546	\$107,199
respectively 18,259 16,641 Accounts receivable from affiliates - 231 Income taxes receivable 1,214 765 Assets held for sale 1,79 - Other current assets 3,674 5,237 Total current assets 138,947 130,766 Property and equipment, net of accumulated depreciation of \$19,495 and \$19,993, 2,788 2,661 Franchise agreements, net of accumulated amortization of \$90,721 and \$87,330, respectively 72,114 75,505 Other intangible assets, net of accumulated amortization of \$8,705 and \$8,550, respectively 2,859 2,725 Other intangible assets, net of accumulated amortization of \$8,705 and \$8,550, respectively 72,169 72,463 Deferred tax assets, net 66,392 66,902 86,903 Investments in equity method investees 3,698 3,693 Debt issuance costs, net 1,776 1,715 Other assets 1,779 1,715 Total assets 1,779 1,715 Total assets 1,80 \$8,532 Other taxes and stockholders' equity 1,80	Escrow cash - restricted	75	693
Accounts receivable from affiliates - 231 Income taxes receivable 1,214 765 Assets held for sale 1,179 - Other current assets 3,674 5,237 Total current assets 138,945 130,766 Property and equipment, net of accumulated depreciation of \$19,495 and \$19,993, respectively 2,788 2,661 Franchise agreements, net of accumulated amortization of \$90,721 and \$87,330, respectively 72,114 75,505 Other intangible assets, net of accumulated amortization of \$8,705 and \$8,550, respectively 2,889 2,725 Goodwill 72,169 72,169 72,463 Deferred tax assets, net 66,392 66,903 Investments in equity method investees 3,698 3,693 Debt issuance costs, net 1,756 1,866 Other assets 1,779 1,715 Total assets \$362,502 \$358,327 Liabilities and stockholders' equity 2 \$358,327 Current liabilities \$1,052 \$561 Accounts payable to affiliates 1,186 1,114	Accounts and notes receivable, current portion, less allowances of \$4,831 and \$4,495,		
Income taxes receivable 1,214 765 Assets held for sale 1,179 - Other current assets 3,674 5,237 Total current assets 138,94 130,766 Property and equipment, net of accumulated depreciation of \$19,495 and \$19,993, respectively 2,788 2,661 Franchise agreements, net of accumulated amortization of \$90,721 and \$87,330, respectively 72,114 75,505 Other intangible assets, net of accumulated amortization of \$8,705 and \$8,550, respectively 2,859 2,725 Goodwill 72,169 72,463 Deferred tax assets, net 66,392 66,903 Investments in equity method investees 3,698 3,693 Other assets 1,759 1,715 Total assets 1,779 1,715 Other assets 1,779 1,715 Total assets \$362,502 \$358,327 Liabilities and stockholders' equity 2 \$561 Accounts payable to affiliates 1,186 1,114 Escrow liabilities 75 69 Accrued liabilities 8,218		18,259	16,641
Assets held for sale 1,179 - Other current assets 3,674 5,237 Total current assets 138,947 130,766 Property and equipment, net of accumulated depreciation of \$19,495 and \$19,993, respectively 2,788 2,661 Franchise agreements, net of accumulated amortization of \$90,721 and \$87,330, respectively 72,114 75,505 Other intangible assets, net of accumulated amortization of \$8,705 and \$8,550, respectively 2,859 2,725 Goodwill 72,169 72,463 Deferred tax assets, net 66,392 66,903 Investments in equity method investees 3,698 3,698 Debt issuance costs, net 1,756 1,896 Other assets 1,779 1,715 Total assets \$362,502 \$358,327 Liabilities and stockholders' equity Total assets \$1,052 \$561 Accounts payable \$1,052 \$561 Accounts payable to affiliates 75 693 Accrued liabilities 8,218 9,380 Accrued liabilities 8,218 9,380 Inco	Accounts receivable from affiliates	-	231
Other current assets 3,674 5,237 Total current assets 138,947 130,766 Property and equipment, net of accumulated depreciation of \$19,495 and \$19,993, respectively 2,788 2,661 Franchise agreements, net of accumulated amortization of \$90,721 and \$87,330, respectively 72,114 75,505 Other intangible assets, net of accumulated amortization of \$8,705 and \$8,550, respectively 2,859 2,725 Goodwill 72,169 72,463 Deferred tax assets, net 66,392 66,903 Investments in equity method investees 3,698 3,693 Debt issuance costs, net 1,756 1,896 Other assets 1,779 1,715 Total assets \$362,502 \$358,327 Liabilities and stockholders' equity \$1,052 \$561 Accounts payable \$1,186 1,114 Escrow liabilities 75 693 Accrued liabilities 8,218 9,380 Income taxes and tax distributions payable 92 189 Dividends and other distributions payable 50,213 - Defer	Income taxes receivable	1,214	765
Total current assets 138,947 130,766 Property and equipment, net of accumulated depreciation of \$19,495 and \$19,993, respectively 2,788 2,661 Franchise agreements, net of accumulated amortization of \$90,721 and \$87,330, respectively 72,114 75,505 Other intangible assets, net of accumulated amortization of \$8,705 and \$8,550, respectively 2,859 2,725 Goodwill 72,169 72,463 Deferred tax assets, net 66,392 66,903 Investments in equity method investees 3,698 3,693 Deterred saxets 1,756 1,896 Other assets 1,779 1,715 Total assets \$362,502 \$358,327 Liabilities and stockholders' equity \$362,502 \$358,327 Current liabilities: *** *** Accounts payable \$1,052 \$561 Accounts payable to affiliates 1,186 1,114 Escrow liabilities 75 693 Accrued liabilities 8,218 9,380 Income taxes and tax distributions payable 92 189 Dividends and other d	Assets held for sale	1,179	-
Property and equipment, net of accumulated depreciation of \$19,495 and \$19,993, respectively 2,788 2,661 Franchise agreements, net of accumulated amortization of \$90,721 and \$87,330, respectively 72,114 75,505 Other intangible assets, net of accumulated amortization of \$8,705 and \$8,550, respectively 2,859 2,725 Goodwill 72,169 72,463 Deferred tax assets, net 66,392 66,903 Investments in equity method investees 3,698 3,693 Debt issuance costs, net 1,756 1,896 Other assets 1,779 1,715 Total assets 362,502 \$358,327 Liabilities and stockholders' equity 2 \$61 Current liabilities: Accounts payable \$1,052 \$561 Accounts payable to affiliates 1,186 1,114 Escrow liabilities 75 693 Accrued liabilities 8,218 9,380 Income taxes and tax distributions payable 92 189 Dividends and other distributions payable 50,213 - Deferred revenue and deposits 17,142 <td>Other current assets</td> <td>3,674</td> <td>5,237</td>	Other current assets	3,674	5,237
respectively 2,788 2,661 Franchise agreements, net of accumulated amortization of \$90,721 and \$87,330, respectively 72,114 75,505 Other intangible assets, net of accumulated amortization of \$8,705 and \$8,550, respectively 2,859 2,725 Goodwill 72,169 72,463 Deferred tax assets, net 66,392 66,903 Investments in equity method investees 3,698 3,693 Debt issuance costs, net 1,756 1,896 Other assets 1,779 1,715 Total assets \$362,502 \$358,327 Liabilities and stockholders' equity 2 \$561 Accounts payable \$1,052 \$561 Accounts payable to affiliates 1,186 1,114 Escrow liabilities 75 693 Accrued liabilities 8,218 9,380 Income taxes and tax distributions payable 92 189 Dividends and other distributions payable 50,213 - Deferred revenue and deposits 17,142	Total current assets	138,947	130,766
Franchise agreements, net of accumulated amortization of \$90,721 and \$87,330, respectively 72,114 75,505 Other intangible assets, net of accumulated amortization of \$8,705 and \$8,550, respectively 2,859 2,725 Goodwill 72,169 72,463 Deferred tax assets, net 66,392 66,903 Investments in equity method investees 3,698 3,693 Debt issuance costs, net 1,756 1,896 Other assets 1,779 1,715 Total assets \$362,502 \$358,327 Liabilities and stockholders' equity Stock to the counts payable \$1,052 \$561 Accounts payable to affiliates 1,186 1,114 Escrow liabilities 75 693 Accrued liabilities 8,218 9,380 Income taxes and tax distributions payable 92 189 Dividends and other distributions payable 50,213 - Deferred revenue and deposits 18,401 17,142	Property and equipment, net of accumulated depreciation of \$19,495 and \$19,993,		
Other intangible assets, net of accumulated amortization of \$8,705 and \$8,550, respectively 2,859 2,725 Goodwill 72,169 72,463 Deferred tax assets, net 66,392 66,903 Investments in equity method investees 3,698 3,693 Debt issuance costs, net 1,756 1,896 Other assets 1,779 1,715 Total assets \$362,502 \$358,327 Liabilities and stockholders' equity Variety of the control of the	respectively	2,788	2,661
Goodwill 72,169 72,463 Deferred tax assets, net 66,392 66,903 Investments in equity method investees 3,698 3,698 Debt issuance costs, net 1,756 1,896 Other assets 1,779 1,715 Total assets \$362,502 \$358,327 Liabilities and stockholders' equity Variety of the control	Franchise agreements, net of accumulated amortization of \$90,721 and \$87,330, respectively	72,114	75,505
Deferred tax assets, net 66,392 66,903 Investments in equity method investees 3,698 3,693 Debt issuance costs, net 1,756 1,896 Other assets 1,779 1,715 Total assets \$362,502 \$358,327 Liabilities and stockholders' equity ***Current liabilities: Accounts payable \$1,052 \$561 Accounts payable to affiliates 1,186 1,114 Escrow liabilities 75 693 Accrued liabilities 8,218 9,380 Income taxes and tax distributions payable 92 189 Dividends and other distributions payable 50,213 - Deferred revenue and deposits 18,401 17,142	Other intangible assets, net of accumulated amortization of \$8,705 and \$8,550, respectively	2,859	2,725
Investments in equity method investees 3,698 3,693 Debt issuance costs, net 1,756 1,896 Other assets 1,779 1,715 Total assets \$362,502 \$358,327 Liabilities and stockholders' equity Current liabilities: Accounts payable \$1,052 \$561 Accounts payable to affiliates 1,186 1,114 Escrow liabilities 75 693 Accrued liabilities 8,218 9,380 Income taxes and tax distributions payable 92 189 Dividends and other distributions payable 50,213 - Deferred revenue and deposits 18,401 17,142	Goodwill	72,169	72,463
Debt issuance costs, net 1,756 1,896 Other assets 1,779 1,715 Total assets \$362,502 \$358,327 Liabilities and stockholders' equity Current liabilities: Accounts payable \$1,052 \$561 Accounts payable to affiliates 1,186 1,114 Escrow liabilities 75 693 Accrued liabilities 8,218 9,380 Income taxes and tax distributions payable 92 189 Dividends and other distributions payable 50,213 - Deferred revenue and deposits 18,401 17,142	Deferred tax assets, net	66,392	66,903
Other assets1,7791,715Total assets\$362,502\$358,327Liabilities and stockholders' equityCurrent liabilities:Accounts payable\$1,052\$561Accounts payable to affiliates1,1861,114Escrow liabilities75693Accrued liabilities8,2189,380Income taxes and tax distributions payable92189Dividends and other distributions payable50,213-Deferred revenue and deposits18,40117,142	Investments in equity method investees	3,698	3,693
Total assets Liabilities and stockholders' equity Current liabilities: Accounts payable Accounts payable to affiliates 1,186 1,114 Escrow liabilities 75 693 Accrued liabilities 8,218 9,380 Income taxes and tax distributions payable Dividends and other distributions payable Deferred revenue and deposits 18,401 17,142	Debt issuance costs, net	1,756	1,896
Liabilities and stockholders' equityCurrent liabilities:\$1,052\$561Accounts payable\$1,1861,114Escrow liabilities75693Accrued liabilities8,2189,380Income taxes and tax distributions payable92189Dividends and other distributions payable50,213-Deferred revenue and deposits18,40117,142	Other assets	1,779	1,715
Current liabilities:Accounts payable\$1,052\$561Accounts payable to affiliates1,1861,114Escrow liabilities75693Accrued liabilities8,2189,380Income taxes and tax distributions payable92189Dividends and other distributions payable50,213-Deferred revenue and deposits18,40117,142	Total assets	\$362,502	\$358,327
Accounts payable\$1,052\$561Accounts payable to affiliates1,1861,114Escrow liabilities75693Accrued liabilities8,2189,380Income taxes and tax distributions payable92189Dividends and other distributions payable50,213-Deferred revenue and deposits18,40117,142	Liabilities and stockholders' equity		
Accounts payable to affiliates1,1861,114Escrow liabilities75693Accrued liabilities8,2189,380Income taxes and tax distributions payable92189Dividends and other distributions payable50,213-Deferred revenue and deposits18,40117,142	Current liabilities:		
Escrow liabilities 75 693 Accrued liabilities 8,218 9,380 Income taxes and tax distributions payable 92 189 Dividends and other distributions payable 50,213 - Deferred revenue and deposits 18,401 17,142	Accounts payable	\$1,052	\$561
Accrued liabilities 8,218 9,380 Income taxes and tax distributions payable 92 189 Dividends and other distributions payable 50,213 - Deferred revenue and deposits 18,401 17,142	Accounts payable to affiliates	1,186	1,114
Income taxes and tax distributions payable92189Dividends and other distributions payable50,213-Deferred revenue and deposits18,40117,142	Escrow liabilities	75	693
Dividends and other distributions payable 50,213 - Deferred revenue and deposits 18,401 17,142	Accrued liabilities	8,218	9,380
Deferred revenue and deposits 18,401 17,142	Income taxes and tax distributions payable	92	189
	Dividends and other distributions payable	50,213	_
Current portion of debt 12,725 9,460	Deferred revenue and deposits	18,401	17,142
	Current portion of debt	12,725	9,460

Current portion of payable pursuant to tax receivable agreements	3,914	3,914
Liabilities held for sale	1,743	-
Other current liabilities	340	211
Total current liabilities	97,959	42,664
Debt, net of current portion	190,605	202,213
Payable pursuant to tax receivable agreements, net of current portion	63,504	63,504
Deferred tax liabilities, net	178	190
Other liabilities, net of current portion	10,458	10,473
Total liabilities	362,704	319,044
Commitments and contingencies		
Stockholders' (deficit) equity:		
Class A common stock, par value \$0.0001 per share, 180,000,000 shares authorized;		
12,031,609 shares issued and		
outstanding as of March 31, 2015; 11,768,041 shares issued and outstanding as of		
December 31, 2014	1	1
Class B common stock, par value \$0.0001 per share, 1,000 shares authorized; 1 share issued		
and outstanding as of March		
31, 2015 and December 31, 2014	-	-
Additional paid-in capital	244,078	241,882
(Accumulated deficit) retained earnings	(4,591)	12,041
Accumulated other comprehensive income	353	886
Total stockholders' equity attributable to RE/MAX Holdings, Inc.	239,841	254,810
Non-controlling interest	(240,043)	(215,527)
Total stockholders' (deficit) equity	(202)	39,283
Total liabilities and stockholders' equity	\$362,502	\$358,327

See accompanying notes to unaudited condensed consolidated financial statements.

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RE/MAX HOLDINGS, INC.

Condensed Consolidated Statements of Income

(In thousands, except share and per share amounts)

(Unaudited)

	Three months ended March 31,	
	2015 2014	
Revenue:		
Continuing franchise fees	\$17,660	\$17,704
Annual dues	7,802	7,506
Broker fees	6,420	5,558
Franchise sales and other franchise revenue	8,426	7,909
Brokerage revenue	3,899	3,203
Total revenue	44,207	41,880
Operating expenses:		
Selling, operating and administrative expenses	25,071	25,287
Depreciation and amortization	3,811	3,938
Loss (gain) on sale or disposition of assets, net	2	(1)
Total operating expenses	28,884	29,224
Operating income	15,323	12,656
Other expenses, net:		